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The 2000-01 State Budget for Higher Education

ON FRIDAY, JUNE 30, 2000, Governor Gray Davis signed the 2000 Budget Act for the State of California (Chapter 52, Statutes of 2000). The largest budget in the State's history, it allocates just under \$100 billion in total, with \$79 billion from the General Fund, \$16 billion from special funds, and \$5 billion from selected bond funds. Reflecting a healthy and robust economy, the new budget is buoyed by substantial increases in State revenue collections.

The budget also contains tax relief and fee reduction measures. Prior to signing the State budget for the new fiscal year, the Governor vetoed more than \$1 billion in legislative augmentations.

Education funding increased significantly

Among other funding priorities such as transportation and housing, California public elementary, secondary, and postsecondary sectors received increased funding in the new budget. As a proportion of total spending, funding for K-12 education accounted for 38.8 percent, with spending for higher education representing 12 percent. This includes:

- ◆ Significant increases in Proposition 98 funds for elementary schools and community colleges;
- ◆ Funds for enrollment growth, student-fee increase buyouts, new campus facilities in the State University and University of California systems; and
- ◆ Significant expansion of the State's student financial aid grant programs, and various teacher preparation initiatives.

All state program expenditures by fund source

Budget expenditures for 2000-01 in all State programs by fund source, along with the most recent estimates of revenue sources for the State General Fund, selected Special Funds, and Bond Funds are shown in Display 1 on the next page.

Expenditures and funding sources for K-12 education and higher education are bolded, with K-12 education receiving a total of some \$32.3 billion and higher education receiving \$10.8 billion from all funding sources.

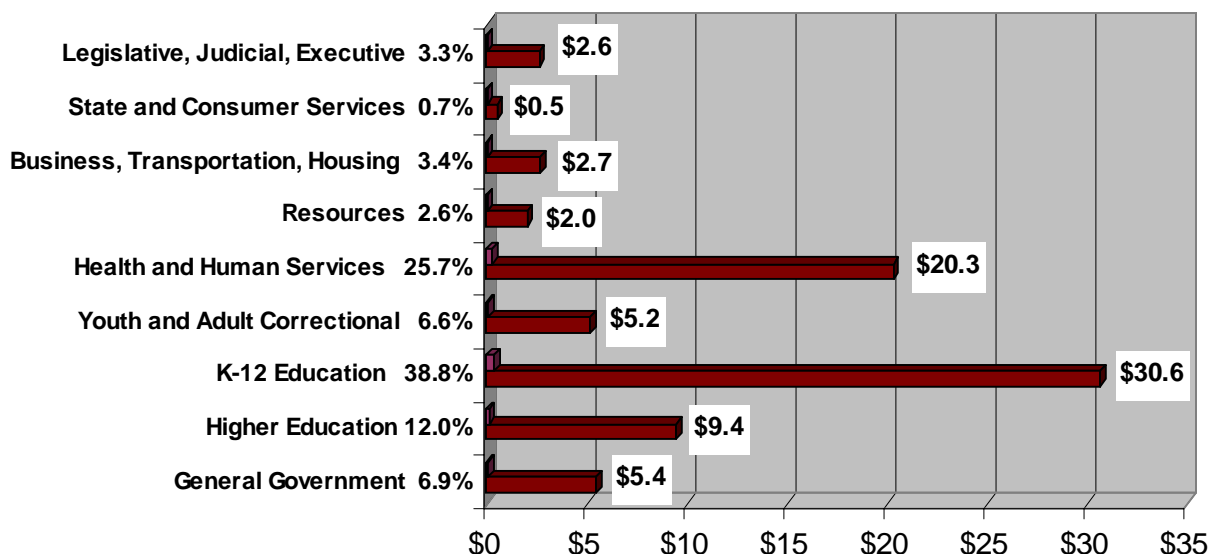
DISPLAY 1 2000-01 Program Expenditures by Fund Source and revenue estimates for the State General Fund and selected Special Funds (dollars in millions)

<u>Program Expenditures</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>Bond Funds</u>	<u>Total</u>
Legislative, Judicial, Executive	\$2,616	--	--	\$2,616
State and Consumer Services	533	496	27	1,056
Business, Transportation, Housing	2,694	4,310	333	7,337
Resources	2,017	1,624	2,213	5,854
Health and Human Services	20,284	4,271	--	24,555
Youth and Adult Correctional	5,179	18	--	5,197
K-12 Education	30,603	46	1,707	32,356
Higher Education	9,445	686	767	10,898
Other Programs	<u>5,445</u>	<u>4,109</u>	<u>1</u>	<u>9,555</u>
<i>Total Expenditures</i>	\$78,816	\$15,560	\$5,048	\$99,424

<u>Revenue Sources</u>	<u>General Fund</u>	<u>Special Funds</u>
Personal Income Tax	\$41,333	--
Sales Tax	21,318	\$2,903
Bank and Corporation Tax	6,800	--
Highway Users Taxes		3,172
Motor Vehicle Fees	27	5,199
Insurance Tax	1,321	--
Estate Taxes	1,047	--
Liquor Tax	287	--
Tobacco Taxes	132	1,077
Horseracing Fees	1	33
Miscellaneous	1,590	4,139
Prior Year Balance (carryover)	<u>7,827</u>	<u>--</u>
<i>Total Revenues</i>	\$81,683	\$16,523

Source: California Department of Finance

DISPLAY 2 2000-01 State General Fund Expenditures, with Proportions of Total Expenditures for Each Program (dollars in billions)



**State General
Fund spending
up 74 percent
over five-year
period**

The growth in overall State General Fund spending since the end of the recession in the mid 1990's has been significant, having grown from \$45.4 billion in 1995-96 to almost \$79 billion in the new budget. This is a five-year increase of 74 percent. General Fund expenditures grew by only 76 percent over the 11 prior years. State General Fund expenditures for fiscal year 2000-01 are shown in Display 2, above. These funds are displayed by program area, with proportions of overall funding for each program.

The Governor considered nearly three-dozen pieces of related legislation designed to implement components of the budget. He signed several of these "trailer" bills and vetoed others. Those trailer bills relating to education are listed below in Display 3. All of these bills that have been signed into law, excepting SB 1644 (Ortiz) and SB 1688 (Polanco), which are awaiting final action.

DISPLAY 3 Legislation to Implement the 2000 Budget Act

AB 480	Ducheny	Child care tax credit.
AB 511	Alquist	Rural investment credit, graduate student expenses, long-term care credit, other
AB 1509	Machado	New tax-deferred retirement benefit for STRS members.
AB 2865	Alquist	California Housing Finance Agency Downpayment Assistance.
AB 2879	Jackson	Credentialed teacher tax credit.
AB 2880	Calderon	School finance: deficit reduction.
AB 2881	Wright	Teacher professional development institutes.
AB 2882	Reyes	Educational technology.
AB 2883	Villaraigosa	University of California Institutes.
SB 1643	O'Connell/McPherson	Beginning teacher salaries.
SB 1644	Ortiz/Poohigian	Cal Grants.
SB 1666	Alarcon/Johannessen	Teacher recruitment and retention incentives.
SB 1667	Alpert	Education omnibus bill.
SB 1683	Escutia	Supplemental remedial instruction.
SB 1688	Polanco/Rainey	Merit scholarships and algebra academies.
SB 1689	Escutia/ Monteith	Advanced placement courses.

Source: Legislative Analyst's Office.

**Four major State
funding priorities
for 2000-01**

Based on commitments of new funds, the 2000-01 State Budget has four major funding priorities: tax and fee relief, housing, transportation, and education (K-12 and higher education). The first three of the non-education areas are described below.

*Non-education
budget priorities*

Tax Relief – The 2000-01 budget includes a total of \$1.5 billion in tax and fee reductions. The rate reduction to the vehicle license fee is accelerated. This fee was scheduled to be reduced from its 1998 levels by 67.5 percent on January 2003, however the budget implements this new

rate in January 2001. Other tax relief provisions include a K-12 teachers' tax credit, a child care tax credit, an increase in senior citizens' property tax assistance, and a variety of targeted tax reductions to individuals and businesses.

Housing — The budget includes \$570 million for various housing-related augmentations. It contains a \$100 million program to mitigate the impact of new housing developments to encourage cities and counties to increase permits for housing. The budget creates the CalHome program, which provides funds to local governments for homeowner assistance programs. The budget also includes \$188 million for loans to encourage the creation and rehabilitation of affordable rental housing units.

Transportation — The budget includes \$2 billion for a transportation congestion relief plan, financed by a one-time direct General Fund appropriation of \$1.5 billion and a diversion of \$500 million of sales taxes from the General Fund to a transportation special fund. The budget also implements a plan that calls for all General Fund sales taxes on gasoline and diesel fuel (about \$1 billion per year) to be dedicated solely to transportation initiatives for the next five years.

*2000-01 budget
for education*

Both K-12 and higher education fare well in the new budget. The 2000-01 budget includes a combined \$43 billion in Proposition 98 spending for K-12 and the California Community Colleges. This represents an increase of \$5 billion, or 13 percent, from last year's budget package. Display 4 summarizes Prop 98 expenditures for the 1999-2000 (past) and 2000-01 (current) fiscal years for K-12, the community colleges, and other affected agencies.

*DISPLAY 4 Proposition 98 Budget Summary for 1999-00
and 2000-01 (dollars in billions)*

<u>K-12 Proposition 98</u>	<u>1999-00*</u>	<u>2000-01*</u>
General Fund	\$25.1	\$27.3
Local property taxes	<u>10.0</u>	<u>10.7</u>
Subtotals, K-12	\$35.1	\$38.0
<u>California Community Colleges</u>		
General Fund	\$2.4	\$2.7
Local property taxes	<u>1.6</u>	<u>1.7</u>
Subtotals, Community Colleges	\$4.0	\$4.4
<u>Other</u>		
Other agencies	\$0.1	\$0.1
Loan repayment	<u>0.3</u>	<u>0.4</u>
<i>Totals, Proposition 98</i>	\$39.5	\$42.8
<u>Prop 98 Fund Sources</u>		
<i>General Fund</i>	\$27.9	\$30.4
<i>Local property taxes</i>	11.6	12.4

* For both years, dollars totals reflect estimates as of July 1, 2000.

Sources: California Department of Finance and Legislative Analyst's Office.

The Proposition 98 dollar totals for both fiscal years shown above reflect “over-appropriations” of the Proposition 98 guaranteed minimum funding. That is, the Legislature has chosen to appropriate a higher level of funds to Proposition 98 than the minimum funding guarantee calls for. In 1999-00 this over-appropriation was approximately \$1.5 billion and in 2000-01 it is estimated to be \$1.2 billion.

Higher Education

For California higher education, the 2000-01 budget includes substantial funding increases for California Community Colleges, the California State University, and the University of California as well as expanded funding for student financial aid. State General Fund and local property tax revenue funding for the three public higher education systems and the California Student Aid Commission in 2000-01, along with dollar and percent changes from 1999-00, is summarized in Display 5 below.

*DISPLAY 5 General Fund and Local Property Tax Revenues for Higher Education
(dollars in millions)*

	2000-01	Change From 1999-00	
		<i>\$ increase</i>	<i>% increase</i>
University of California			
	\$3,205.6	\$487.7	17.9%
California State University	2,473.0	278.9	12.7%
California Community Colleges	4,372.7	503.9	13.0%
Student Aid Commission	531.5	142.0	36.5%

Note: California Community Colleges funding consists of \$2.7 billion in Proposition 98 State General Funds and \$1.7 billion in local property tax revenues.

Source: Office of the Legislative Analyst.

Below are individual summaries of the 2000-01 State budget for each California higher education system and for the Student Aid Commission.

The California Community Colleges

The 2000-01 State Budget provides more than \$4.3 billion to the California Community Colleges, an increase of \$592 million over 1999-00 levels. Of this increase, \$492 million is built into the system’s base funding for ongoing programs. Overall State funding per community college student increases by nearly \$200, or 12 percent.

Major budget augmentations for the California Community Colleges include:

- ◆ \$123 million to fund 3.5 percent enrollment growth systemwide.
- ◆ \$149 million to fund a 4.17 percent Cost-of-Living Adjustment.

- ♦ \$155 million for the third year of the Partnership for Excellence (PFE) program.
- ♦ \$100 million of one-time funds for instructional equipment and block grants for scheduled maintenance.
- ♦ \$18.5 million for student outreach and access programs.

The PFE program is a systemwide initiative to improve student outcomes in the areas of transfers to four-year universities, completions of degrees and certificates, successful course completion, workforce training and basic skills improvement. The 2000-01 budget increase in PFE funding brings the base funding level of this program to \$300 million. In its first three years, the PFE program has received \$545 million.

The budget funds additional program enhancements for the community colleges, including: \$15 million for workforce equipment and scheduled maintenance and special repairs; \$5 million for Educational Opportunity Program and Services (EOPS) book stipends for needy students; \$16.3 million for technology initiatives; and \$10 million for economic development programs.

The California State University

The State University General Fund budget for 2000-01 is just under \$2.5 billion. The budget includes the following augmentations:

- ♦ \$113 million to provide a 6.0 percent increase in the employee compensation pool for COLAs, merit increases, and parity adjustments. \$94.3 million of this is for a 5.0 percent compensation pool for all State University employees and \$18.9 million is for State University systemwide priorities. The allocations of these funds will be determined through collective bargaining.
- ♦ \$73 million for an additional 12,577 full-time equivalent State University students, an enrollment growth rate of 4.5 percent.
- ♦ \$19 million for various State University K-12 teacher preparation initiatives, including: \$6.5 million to train teachers to use technology in the classroom, \$9 million for a teacher recruitment campaign for Cal-Teach, a one-stop information and recruitment center for individuals interested in a teaching career, and \$3.5 million for Governor's Teaching Fellowships.
- ♦ \$20 million to "buy out" resident fee revenues usually received from State University students attending during summer sessions, starting in summer 2001.
- ♦ \$33 million for new State University facilities and for capital outlay and facilities maintenance needs. This includes: \$10 million for State

University Channel Islands and \$11.3 million for the CSU Stanislaus Stockton Center, per an agreement on the future operations of this center; \$380,000 for the Coachella Valley Off-Campus Center at CSU San Bernardino; and \$2.3 million for continuing start-up costs at CSU Monterey Bay. The State University budget also includes \$6.4 million for about one million square feet of new building space and \$2.8 million for the system's deferred maintenance backlog.

With respect to the \$10 million in the budget for the proposed CSU Channel Islands, the Commission is reviewing the needs study for this proposal and expects to bring a recommendation to the Commission in October. The 2000-01 budget for the State University also includes \$10 million in one-time money for the California Workforce Initiative, which will fund programs for high-demand fields such as nursing, agriculture, engineering, computer science and the biological sciences. The budget also includes \$2.2 million to extend and improve CSU community service and service learning programs, \$18 million for technology and libraries, and \$5.2 million to repair major fire damage at CSU Hayward.

The University of California

The budget provides \$3.2 billion in General Fund support for the University, \$487.7 million more in 2000-01 than in 1999-00. Major University budget augmentations and new programs include:

- ◆ \$128.7 million for employee compensation increases. This funding is sufficient to provide an average 2.0 percent employee salary increase, plus normal merit increases, and an additional 1.0 percent market-based adjustment for selected faculty members. Actual pay increases will vary depending upon an employee's compensation program and applicable collective bargaining requirements.
- ◆ \$109 million for various K-12 initiatives, including \$71 million to create or expand UC-led programs (the California Subject Matter Projects and the Governor's Reading Professional Development Institutes for K-3 teachers) that provide professional development to teachers in California's public schools.
- ◆ \$512 million for enrollment growth of 6,000 students, a 3.75 percent increase in funded enrollment.
- ◆ \$14 million to "buy out" resident fee revenue usually received from University students attending during summer sessions starting in summer 2001.
- ◆ \$346 million in State funds for the University's capital budget, consisting of \$213 million in Proposition 1A bond funds and \$133 million in state general funds. The budget also authorizes the University to use \$600 million in lease-revenue bond funds for earthquake-safety

renovations at UC hospitals, \$50 million for non-seismic infrastructure needs at the University's five teaching hospitals, and one-time funding of \$25 million for hospital equipment.

UC's capital budget includes \$75 million for the creation of three "California Institutes for Science and Innovation." These institutes will focus on scientific and engineering research, bringing together faculty, students and industrial partners to work in cross-disciplinary teams. Preliminary proposals for the centers are being reviewed, and selections will be made in the fall.

In addition to the teacher development initiatives discussed above, the budget also includes a \$4 million augmentation to provide online Advanced Placement (AP) courses to students in schools with few or no AP classes. Other augmentations include: \$1 million to expand the California State Summer School for Math and Science, which provides enrichment to academically talented high school students; \$1 million for the Mathematics, Engineering, Science Achievement (MESA) Program; \$1 million for an initiative to improve community college transfer to UC; and, \$1 million for graduate and professional school outreach.

The budget also provides \$6 million to help University campuses improve undergraduate instruction. Among other things, these efforts may include reducing class sizes, offering additional lower-division seminars, providing more undergraduate research opportunities, and offering more academic advising.

The 2000-01 budget provides \$44 million for development of the new UC Merced campus in environmentally sensitive ways, including development of a habitat conservation plan and acquisition of additional acreage to ensure protection of wetlands and wildlife. The budget also provides \$19 million for initial infrastructure and for planning and working drawings of the first two buildings at UC Merced – the Science and Engineering Building and the Library/Information Technology Center. The budget includes approximately \$10 million in ongoing operating funds for the campus.

The budget provides the University with \$1.1 million to begin preliminary planning for a UC Santa Cruz regional center in the Silicon Valley, which the Commission is involved in reviewing, and \$50 million to expand access to Internet2, the high-speed next-generation electronic highway. Of this, \$32 million will be used to expand Internet2 access at K-12 schools and \$18 million to be used at UC campuses.

The University budget also includes more than \$60 million for a variety of other research initiatives. Highlights include \$30 million for the MIND Institute (Medical Investigation of Neurodevelopmental Disorders) at UC Davis; \$6 million to expand the university's research efforts on labor issues affecting California's workforce; \$5 million for collaboration with

Mexican scholars on U.S.-Mexico issues; and \$5 million for expanded research in the fields of engineering and computer science.

The California Student Aid Commission

The 2000-01 budget appropriates \$531.5 million in State General Funds to the Student Aid Commission, as increase of 37 percent (\$142 million) over 1999-00 funding levels. While the Governor vetoed \$51.6 million in legislative augmentations to the Cal Grant program, the increase significantly expands the number and size of Cal Grant A, B, and C programs.

Changes in the California Student Aid Commission budget for 2000-01 are summarized in Display 6 below.

*TABLE 6 2000-01 Budget Information for the California Student Aid Commission
(dollars in thousands)*

Programs	<u>1999-00</u>	<u>2000-01</u>	<u>\$ change</u>	<u>% change</u>
Cal Grant A	\$251,745	\$306,047	\$54,302	21.6%
Cal Grant B	106,969	172,768	65,799	61.5%
Cal Grant C	6,010	14,809	8,799	146.4%
Cal Grant T	10,000	10,000	--	--
Cal-SOAP/Early Intervention	3,664	8,664	5,000	136.5%
APLE	2,502	6,713	4,211	168.3%
Work Study	2,663	5,263	2,600	97.6%
Other Programs	<u>6,527</u>	<u>6,303</u>	<u>- 224</u>	-3.4%
<i>Subtotal</i>	\$390,080	\$530,567	\$140,935	
CSAC State Operations	<u>\$10,017</u>	<u>\$11,846</u>	<u>\$1,829</u>	18.3%
<i>Total Funding</i>	\$400,097	\$542,413	\$142,764	

Source: California Student Aid Commission.

The budget provides \$99 million to expand these Cal Grant Programs, adding more than 22,000 new Cal Grant A, B, and C awards for financially needy students. The new Cal Grant “A,” “B,” and “C” awards funded in the budget, include 9,281 new “A” awards, 9,281 new “B” awards, and 3,987 new “C” awards. The 22,549 new Cal Grants means that the total number of Cal Grant awards available this year is approximately 77,603. This number is equivalent to 25 percent of the high school graduating class – the first time in the State’s history that this statutory goal has been fully funded.

Levels of individual financial aid grants are also increased in the new budget. The maximum grant award for students attending independent institutions increases to \$9,708, nearly \$300 over 1999-00 levels. Grants in the subsistence awards component of the “B” program are increased to

\$1,548, up from \$1,410 in 1999-00. The award maximum in the “tuition and fee” component in the “C” program rises to \$2,592, from \$2,360 last year, and the award maximum in the “books and supplies” component in the “C” program is now \$576 in the new budget, an increase of \$46 over 1999-00.

The Student Aid Commission also receives increased funding to conduct the Student Expense and Resource Survey (SEARS) and to increase its outreach efforts. Additional funding of \$817,000 is also provided to the Student Aid Commission to improve the grant delivery system.

K-12 Education

The 2000-01 State budget includes major funding increases for public elementary and secondary (K-12) education. In total, these new funds increase to approximately \$6,700 the level of per-pupil funding for K-12 education, an 11 percent increase from last year. In addition, there are almost \$2 billion in special school improvement programs and initiatives in the 2000-01 budget for K-12.

The budget includes \$1.84 billion to eliminate the K-12 “deficit factor.” This action eliminates a deficit in school district and county office of education revenue limits that have existed since the early 1990s, when the State did not fully fund cost-of-living adjustments (COLAs). It provides the schools with a significant increase in general-purpose funding — about 7.0 percent for school districts and about 9.0 percent for county offices.

The budget allocates almost \$1.6 billion to provide for inflation and growth adjustments for K-12 education. Specifically, the budget includes about \$490 million for a projected 1.45 percent increase in the student population, and almost \$1.1 billion for a 3.17 percent COLA. These funds are discretionary in that they apply to most program funding.

New K-12 student achievement and teacher preparation and recruitments initiatives in the 2000-01 budget are described below:

School Improvement And Pupil Achievement Block Grant (\$425 million). This program provides funds for expenditure by school districts for school safety, deferred maintenance, technology staff development, education technology connectivity, or facility improvements (\$245 million); specific funding is targeted to school sites for instructional materials, staff development, computers, education technology, library materials, deferred maintenance, enrichment activities, tutoring services, or any other one-time educational purpose (\$180 million).

Governor’s Scholars Program (\$118 million). This program provide \$1,000 scholarships to public high school pupils in 9th through 11th grades scoring in either the top 10 percent at their school or the top 5 per-

cent statewide on the nationally-normed portions of the Standardized Testing and Reporting (STAR) exam; it also provides for \$2,500 scholarships to pupils who receive a scholarship under the Governor's Scholars Program and also achieve top scores in Advanced Placement, International Baccalaureate, and Golden State Examination assessments in mathematics and science.

English Language Learners (\$260 million). This program provides for intensive English language and literacy instruction, including \$250 million for grades K-12 to provide such instruction after school and during intersession/summer breaks; and \$10 million to provide support for adult literacy learners with children who are learning English by expanding the Family Literacy Program conducted at local libraries.

Academic Performance Schoolsite Employee Performance Bonus (\$350 million). This program funds one-time bonuses to all staff at school sites that have met or exceeded their academic performance growth target.

Teacher Tax Credit (\$218 million). This initiative creates a personal income tax credit for teachers. Credentialed K-12 teachers in both public and private schools may receive tax credits linked to years of teaching experience. The tax credit amounts are \$250 for those with at least four years but fewer than six years of experience, \$500 for those with at least six years but fewer than 11 years of experience, \$1,000 for those with at least 11 years but fewer than 20 years of experience, and \$1,500 for those with 20 or more years of experience. The credit is limited to 50 percent of tax liabilities associated with teaching-related income. The Legislative Analyst estimates that this program will result in estimated revenue losses of \$218 million in 2000-01, and similar revenue losses in future years.

Recruitment and Retention Block Grant (\$119 million). This program provides for block grants for schools ranked in the bottom half of the Academic Performance Index (API) to recruit and retain fully credentialed teachers. Schools may use these funds for teacher signing bonuses, forgivable housing assistance loans, and other recruitment and retention incentives.

Beginning Teacher Salaries (\$55 million). This expansion of last year's program allows school districts participating in the Beginning-Teacher Salary Program to increase the annual salaries of beginning teachers to a minimum of \$34,000.

Certificated Staff Bonuses (\$100 million). This program provides funds for bonuses to certificated staff at schools that achieve increases in their API scores. Eligible employees may receive bonuses of between \$5,000 and \$25,000 depending on the degree of improvement in their school's API scores.

Professional Development Institutes (\$108 million). This program will provide for minimum week-long intensive training to more than 70,000 teachers and administrators to develop advanced skills in core curriculum areas.

Education Technology (\$215 million). This program is designed to improve access to computers and technology for students in the classroom, including enhanced student access to advanced placement courses on-line, expanded connectivity and network infrastructure for K-12 schools, and increased funding for staff development and technical assistance. In addition, \$188 million in mostly carryover funds from the prior fiscal year is allocated for the final year of implementation for the Digital High School Program.

Advanced Placement (\$17 million). These funds implement the new Advanced Placement Challenge Grant Program, which will provide \$30,000 grants to up to 550 high schools to facilitate pupil access to Advanced Placement or comparable college-level coursework by the Fall of 2001. Of these funds, \$8 million are channeled through the University of California to develop additional distance-learning courses in core subject matter areas and expand its high school Advanced Placement initiative to additional schools throughout the state.

Summary The 2000-01 State Budget is the largest – and contains some of the largest year-to-year dollar increases – in the State’s history. If the new programs and initiatives funded this year achieve their stated goals, California should see vast improvements in everything from educational attainment to ease of transportation. While preliminary expectations for revenue growth in 2001-02 are not as large as what has occurred over the past 20 months, State revenues are still expected to climb. This funding scenario bodes well for K-12 and higher education initiatives and for other services provided to the citizenry by the State and local governments

2

Matrix of Selected Legislation

THIS SECTION of the Legislative Update presents a matrix of bills tracked by the Commission during the second half of the 1999-2000 Legislative session. It consists of bills that reflect the Commission's legislative priorities, its sponsored legislation, and other key measures affecting postsecondary education.

Brief summaries of the bills listed on the matrix are in the following section.

MATRIX 1999-2000 LEGISLATIVE BILLS

	Bill Number	Author	Subject	CPEC Position	1st Policy Committee	1st Fiscal Committee	Floor Action	2nd Policy Committee	2nd Fiscal Committee	Floor Action	COMMENTS
1.	AB 2	Alquist	Personal Income Tax: Exclusive	Support	X	X	X	X	X	F	Failed passage on Senate Floor, reconsideration granted.
2.	AB 108	Mazzoni	Subject Matter Projects	Support	X	X	X	X	P		Pending consideration in Senate Appropriations Committee.
3.	AB 252	Scott	Financial Aid: Summer College Attendance	(Watch) Support	X	X	X	X	P		Pending consideration in Senate Appropriations Committee.
4.	AB 666	Romero	College Admissions Testing Opportunity Program	Oppose	X	X	X	P			Pending consideration in Senate Education Committee.
5.	AB 914	Keeley	Postsecondary Ed: Fees	Watch	X	X	X	P			Hearing set on 8/9/00 in Senate Education Committee.
6.	AB 1123	Cardoza	California Distance Learning Policy	Support	X	X	X	X	P		Hearing set on 8/7/00 in Senate Appropriations Committee.
7.	AB 1602	Machado	K-12 School Safety	No Position	X	X	X	P			This bill changed subject matter from a CCC-Fee Reduction to a K-12 School Safety.
8.	AB 1828	Dickerson	California STAR/Rising STAR Student Scholarships	Watch	F						Failed passage, reconsideration granted in Assembly Education Committee.
9.	AB 1918	Romero	Access to Transfer Information for CCC	Watch	X	X	X	X	X	X	To Governor Davis on 7/10/00.
10.	AB 2007	Runner	Joint Use and Joint Program Projects	Watch	X	X	X	P			Passed Senate Education Committee referred to Senate Rules Committee.
11.	AB 2095	Lempert	Tax Deduction: Scholarshare Trust	Support	P						Pending reconsideration in Assembly Revenue and Taxation Committee.
12.	AB 2266	Firebaugh	Public School Funding	Support, in concept	X	H					Held on Suspense file in Assembly Appropriations Committee.
13.	AB 2368	Committee on Higher Education	CSU & UC Student Fees	Watch	P						Pending consideration in Assembly Rules Committee.

14.	AB 2372	Granlund	CCC: Student Fees	Oppose	P						Pending consideration in Assembly Higher Education Committee.
15.	AB 2376	Lempert	CCC: Book Grants	Support, if amended	P						Pending consideration in Assembly Higher Education Committee.
16.	AB 2388	Lempert	CCC: Omnibus Bill	Watch	X	X	X	X	P		Hearing set on 8/7/00 in Senate Appropriations Committee.
17.	AB 2409	Migden	UC & CSU Year Round Operation	Support, if amended	X	X	X	X	P		Hearing set on 8/7/00 in Senate Appropriations Committee.
18.	AB 2413	Machado	CCC: Financial Aid Outreach Program	Support	X	H					Held on Suspense File in Assembly Appropriations Committee.
19.	AB 2476	Romero	CCC: Deferment Act	Support	X	X	X	X	P		Pending consideration in Senate Appropriations Committee.
20.	AB 2496	Washington	CCC: Book Grants	Support, if amended	X	X	X	X	P		Pending consideration in Senate Appropriations Committee.
21.	AB 2565	Zettel	CCC: Technology	Support, if amended	X	X	X	X	P		Hearing set on 8/7/00 in Senate Appropriations Committee.
22.	SB 576	McPherson	Language Development Study	Support	X	X	X	X	X	P	Passed Assembly, to Senate for concurrence.
23.	SB 919	Vasconcellos	Master Plan for Service Learning	Support	X	X	X	X	H		Held in Assembly Appropriations Committee.
24.	SB 1326	Hayden	Hate Crimes Report	Support	X	X	X	X	P		Hearing set on 8/9/00 in Assembly Appropriations Committee.
25.	SB 1330	Alpert	Student Financial Aid: Assumption Program	Support	X	X	X	X	P		Hearing set on 8/9/00 in Assembly Appropriations Committee.
26.	SB 1369	Poochigian	Tax Credit: Test & Application Fees	Oppose	F						Failed passage, reconsideration in Senate Revenue and Taxation Committee granted.
27.	SB 1450	McPherson	Student Fees: Summer Term or Session	Support, if amended	X	X	X	P			Pending consideration in Assembly Higher Education Committee.
28.	SB 1453	Schiff	Tax Deduction: College Tuition	Oppose	P						Pending reconsideration in Senate Revenue and Taxation Committee.

29.	SB 1503/ SB 1688	Polanco	Governor's Merit Scholarship Program	Watch	X	X	X	X	X	X	Language from SB 1503 put into SB 1688. To Governor Davis on 7/11/00.
30.	SB 1504/ SB1689	Escutia	Advanced Placement Program (Gov. prop.)	Support	X	X	X	X	X	X	Language from SB 1504 put into SB 1689. Signed by Governor Davis on 7/11/00. Chapter No. 73.
31.	SB 1505/ SB 1666	Alarcon	Teacher Recruitment and Incentives (Gov. prop)	Support	X	X	X	X	X	X	Language from SB 1505 put into SB 1666. Signed by Governor Davis on 7/5/00. Chapter No. 70.
32.	SB 1737	Hayden	UC: Study Economic Benefit of Slavery	No Position	X	X	X	P			This bill changed subject from Statewide Service Learning to a UC Study Regarding Economic Benefits of Slavery.
33.	SB 1787	Burton	Merit Scholarship Program	Watch	P						Pending consideration in Senate Education Committee.
34.	SB 1788/ SB 1644	Burton	Student Financial Aid: Cal Grant B Awards	Support	X	X	X	X	X	X	Language from SB 1788 put into SB 1644. To Governor Davis on 7/11/00.
35.	SB 2118	Poochigian	Cal Grant Programs	Watch	X	X	H				Held on Senate Inactive File.

21-Jul-00

X-Indicates Action Taken

H-Indicates Held in Committee

P-Indicates Pending Consideration or Reconsideration in Committee

F-Indicates Failed Passage in Committee

Legislative Bill Summaries

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6. Assembly Bill 1123 Subject: California Distance Learning Policy
Author: Cardoza Version: 6/12/00

This bill would set forth a distance learning policy for California higher education and call for the Commission to review and evaluate it on a periodic basis. Status: Senate Appropriations Committee.

7. Assembly Bill 1602 Subject: K-12 Safety
Author: Machado Version: 6/27/00

No longer tracking this bill since it has changed subject matter from a California Community Colleges Fee Reduction to a K-12 School Safety bill.

8. Assembly Bill 1828 Subject: Rising STAR Student Scholarships
Author: Dickerson Version: 4/6/00

This bill would create the STAR/Rising STAR Student Scholarship Program, a new grant program for high school students who score in the top 5-percent on the grade 11 STAR test or who show a 10-percent improvement from their grade 9 STAR score. Status: Failed passage in Assembly Education Committee.

9. Assembly Bill 1918 Subject: CCC: Access to Transfer Information
Author: Romero Version: 4/24/00

This bill would require the governing board of each community college district to ensure that students have access to copies of the transfer core curriculum, as defined to mean lower division, general education transfer curriculum that is fully articulated between the California Community Colleges, the California State University and the University of California. Status: To Governor Davis on 7/10/00.

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| 10. | Assembly Bill 2007
Author: Runner | Subject: Joint Use Education Facilities
Version: 6/29/00 |
|-----|--------------------------------------|---|

This bill would exempt Antelope Valley College facilities that are jointly used by CSU Bakersfield and are built after January 1, 2001 from the Field Act. It would also appropriate \$1 million from the General Fund to the California Community Colleges for allocation to San Mateo Community College District to implement a joint four-year degree program that would include Canada College and San Francisco State University. In addition, it provides funds to the William S. Hart Union High School District for a joint use project with the College of the Canyons. Status: Senate Rules Committee.

11. Assembly Bill 2095 Subject: Tax Deduction: Scholarshare Trust
Author: Lempert Version: 5/30/00

This bill would allow a refundable credit in an amount equal to specified percentages of the amount of any contribution made on January 1, 2000

and before January 1, 2005 during the taxable year to a scholarshare trust. This bill would limit the credit to \$500. Status: Assembly Revenue and Taxation Committee.

12. Assembly Bill 2266 Subject: Public School Finding
Author: Firebaugh Version: 4/4/00

This bill would enact the Public Education Facilities Bond Act of 2000. It would provide for an unknown level of funding to be deposited in the 2000 Higher Education Capital Outlay Fund, which would be created by this bill. Status: Held in Assembly Appropriations Committee.

13. Assembly Bill 2368 Subject: CSU & UC: Student Fees
Author: (Committee on Higher Education) Version: 2/24/00

This bill would state intent language that, in order to keep student fees at the California State University and University of California as reasonable as possible, the proportional share of funding for those institutions in the annual state General Fund budget be at least maintained at the 1999-2000 fiscal year level. Status: Assembly Rules Committee.

14. Assembly Bill 2372 Subject: CCC: Student Funding
Author: Granlund Version: 4/13/00

This bill would express legislative intent with respect to the presentation of proposals relating to the funding of community colleges and student fees. Status: Assembly Higher Education Committee.

15. Assembly Bill 2376 Subject: CCC: Book Grant
Author: Lempert Version: 2/24/00

This bill would provide a book grant for Community college students receiving a fee waiver. It would provide \$200 for full-time, \$150 for three-quarter time and \$100 for half-time students. Status: Assembly Higher Education Committee.

16. Assembly Bill 2388 Subject: CCC: Omnibus Bill
Author: Lempert Version: 6/13/00

This bill would recast and reorganize the statutes in the California Education Code relating to community colleges. Status: Senate Appropriations Committee.

17. Assembly Bill 2409 Subject: UC & CSU Year-Round Operation
Author: Migden Version: 5/26/00

This bill would require the State University and request the University of California to phase in year-round operations and provide the same level of course offerings, quality of instruction, and employment standards in all terms of the academic year. It would give first priority to campuses where

eligible applicants far exceed the space available. Status: Senate Appropriations Committee.

18. Assembly Bill 2413 Subject: CCC: Financial Aid Outreach Program
Author: Machado Version: 3/27/00

This bill would require the Community College Chancellor's Office to create an intensive financial aid outreach awareness program. Status: Suspense File, Assembly Appropriations Committee.

19. Assembly Bill 2476 Subject: CCC: Deferment Act
Author: Romero Version: 5/26/00

This bill would enact the California Community College Deferment Act, which would encourage persons who are eligible to attend the University of California to attend a community college for their lower division work. Such students would have their fees waived for their upper division work at the University. The bill also calls for CPEC to submit a report on the overall effectiveness and merit of the program. Status: Senate Appropriations Committee.

20. Assembly Bill 2496 Subject: CCC: Book Grant
Author: Washington Version: 5/26/00

This bill would provide a book grant for Community college students receiving a fee waiver. It would provide \$200 for full-time, \$150 for three-quarter time and \$100 for half-time students. Status: Senate Appropriations Committee.

21. Assembly Bill 2565 Subject: CCC: Technology
Author: Zettel Version: 6/22/00

This bill would make various changes with regard to how lottery monies are spent, establish, and set forth a mission statement for the Technology and Telecommunications Program of the California Community Colleges, and exempt the Board of Governors of the community college system from the scope of the activities of the Department of Information Technology. This bill would also require the Chancellor of the California Community Colleges to submit a strategic report about the program to the Legislature and the Governor. Status: Senate Appropriations Committee.

22. Senate Bill 576 Subject: Language Development Study
Author: McPherson Version: 5/31/00

This bill would call for the Commission to develop a strategic plan for language development, teaching and learning for California. Status: Passed Assembly, to Senate for Concurrence.

29. Senate Bill 1503/SB 1688 Subject: Governor's Merit Scholarship Prog.
Author: Polanco Version: 6/15/00
- This bill creates the Governor's Scholars Program to entitle pupils to \$1,000 scholarships as rewards for earning high academic achievement on certain tests. The bill also establishes the Governor's Distinguished Mathematics and Science Scholars Program to provides \$2,500 scholarships to pupils who attain specified scores on Advanced Placement Examinations in biology, chemistry or physics. It also creates the Intensive Algebra Instruction Academies Program to provide instruction in pre-algebra and algebra to pupils in grades seven and eight. This bill makes other related provisions. Status: To Governor Davis on 7/11/00.
30. Senate Bill 1504/SB 1689 Subject: Advance Placement Program
Author: Escutia Version: 6/15/00
- This bill, sponsored by the Administration, creates the Advanced Placement Challenge Grant Program to provide increased access to Advanced Placement courses. This bill focuses on schools with few or no Advance Placement course offerings, and also requires that parents be notified of the availability of state funds to cover the costs of advance placement examination fees. This bill makes other related provisions. Status: Signed by Governor Davis on 7/5/00, Chapter No. 73.
31. Senate Bill 1505/SB 1666 Subject: Teacher Recruitment and Incentives
Author: Alarcon Version: 6/15/00
- This bill, sponsored by the Administration, makes numerous changes in current law and creates new programs relative to the recruitment of, and incentives for teachers. This bill eliminates the cap on earnings for retired teachers. It also creates the Teaching as a Priority Block Grant for low-performing schools; it also increases from \$1,500 to \$2,500 per intern per year the amount of state funding local school districts may receive for operating a teacher intern program. It establishes the Teacher Recruitment Incentive Program to be administered by the Sacramento County Office of Education. This bill makes other related provisions. Status: Signed by Governor Davis on 7/5/00, Chapter No. 70.
32. Senate Bill 1737 Subject: UC: Study Economic Benefits of Slavery
Author: Hayden Version: 6/29/00
- No longer tracking this bill it has changed subject from Statewide Service Learning to a University of California Study Regarding Economic Benefits of Slavery.
33. Senate Bill 1787 Subject: Merit Scholarship Program
Author: Burton Version: 2/23/00
- This bill would state intent language that merit scholarships be awarded to the top 5-percent of graduating seniors at each public high school based on

grade point average, advanced placement scores, and the results of the statewide achievement test. Status: Senate Education Committee.

34. Senate Bill 1788/SB 1644 Subject: Financial Aid: Cal Grant B Awards
Author: Burton Version: 7/6/00

This bill would enact the Cal Grant Guarantee Program and establishes a Community College Student Financial Aid Outreach Program. Status: To Governor Davis on 7/11/00.

35. Senate Bill 2118 Subject: Cal Grant Programs
Author: Poochigian Version: 5/4/00

This bill would specify a goal of ensuring student access to and selection of an institution of higher education for students with financial need and academic merit. It would also specify a specific amount from the General Fund to the California Student Aid Commission to be used for the Cal Grant Program. Status: Held on Senate Inactive File.

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Committee Membership

THIS PART of the Legislative Update lists the members of the legislative policy and fiscal committees for higher education

Senate Appropriations Committee

Patrick Johnston, Chair
Tim Leslie, Vice Chair
Dede Alpert
Debra Bowen
John Burton
Martha Escutia
Ross Johnson
Betty Karnette
David Kelley
Bruce McPherson
Richard Mountjoy
Don Perata
John Vasconcellos

Senate Budget and Fiscal Review Committee

Steve Peace, Chair
James Brulte, Vice Chair
Wesley Chesbro
Joseph Dunn
Tom Hayden
Ray Haynes
Jack O'Connell
Deborah V. Ortiz
Richard Polanco
Charles Poochigian
Adam Schiff
Byron Sher
Hilda Solis
Cathie Wright

Senate Budget and Fiscal Review Subcommittee No. 1 on Education

Jack O'Connell, Chair
James Brulte
Joseph Dunn
Adam Schiff

Senate Education Committee

Dede Alpert, Chair
Bruce McPherson, Vice Chair
Richard Alarcon
Wesley Chesbro
Joseph Dunn
Tom Hayden
Ray Haynes
Teresa Hughes
William Knight
Dick Monteith
Jack O'Connell
Debra Ortiz
Byron Sher
John Vasconcellos

Senate Select Committee on Higher Education Committee

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John Lewis
Bruce McPherson
Richard Polanco
Adam Schiff
Hilda Solis
John Vasconcellos
Vacancies

Senate Select Committee on Higher Education Admissions and Outreach Committee

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John Burton
Maurice Johannessen
Bruce McPherson
Steve Peace
Richard Polanco

Assembly Appropriations Committee

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Bill Campbell, Vice Chair
Dick Ackerman
Elaine Alquist
Dion Aroner
Roy Ashburn
Marilyn Brewer
Gil Cedillo
Ellen Corbett
Susan Davis
Sheila James Kuehl
Abel Maldonado
Louis Papan
Gloria Romero
George Runner
Kevin Shelley
Helen Thomson
Herb Wesson
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Roderick Wright
Charlene Zettel
Vacancy

Assembly Budget Committee

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George Runner, Vice Chair
Sam Aanestad
Dion Aroner
Patricia C. Bates
Bill Campbell
Tony Cardenas
Dennis Cardoza
Gil Cedillo
Lou Correa
Dave Cox
Richard Dickerson
Marco Firebaugh
Dean Florez
Martin Gallegos
Fred Keeley
Bill Leonard

Abel Maldonado
George Nakano
Robert Pacheco
Rod Pacheco
Louis Papan
Sarah Reyes
Jack Scott
Tony Strickland
Virginia Strom-Martin
Tom Torlakson
Scott Wildman
Roderick Wright

**Assembly Budget Subcommittee #2
on Education Finance**

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Bill Leonard
Robert Pacheco
Jack Scott
Scott Wildman

Assembly Education Committee

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Elaine Alquist
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Thomas Calderon
Bill Campbell
Lou Correa
Jim Cunneen
Susan Davis
Mike Honda
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Robert Pacheco
Rod Pacheco
Jack Scott
Virginia Strom-Martin
Carl Washington
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Assembly Higher Education Committee

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Charlene Zettel, Vice Chair
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Dennis Cardoza
Sally Havice
Hannah-Beth Jackson
Alan Lowenthal
Anthony Pescetti
Sarah Reyes
Gloria Romero
Jack Scott
Bruce Thompson

**Assembly Select Committee on the
Development of the 10th University
of California Campus**

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Roy Ashburn
Steve Baldwin
Dean Florez
Robert Hertzberg
Ted Lempert
Mike Machado
Anthony Pescetti
Sarah Reyes

**Joint Committee to Develop a Master
Plan for Education-Kindergarten
through University**

Senate Members

Dede Alpert, Chair
Richard Alarcon
Betty Karnette
Bruce McPherson
Kevin Murray
Jack O'Connell
Charles Poochigian
Richard Rainey
John Vasconcellos

Assembly Members

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Kerry Mazzoni, Co-Vice Chair (K-12)
Jim Cunneen
Dean Florez
Sarah Reyes
Gloria Romero
George Runner
Jack Scott
Virginia Strom-Martin

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